

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation was held February 5, 2007 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Rhonda Boyles called the meeting to order at 9:33 a.m.

Boardmembers present and establishing a quorum were:

Ms. Rhonda P. Boyles, Chair
Mr. Edward Kern, Vice Co-Chair (via telephone)
Mr. William E. Burton, Member
Mr. Carrol J. Martin, Member (via telephone)
Mr. Paul Shoen, Member
Mr. McLaren Carter, Member (via telephone)

Staff in attendance was:

Mr. Larry DeVilbiss, Director
Ms. Candy Easley, Loan Officer
Ms. Lora Haralson, Administrative Assistant
Mr. Ray Nix, Natural Resource Specialist
Ms. Tina Otto, AAG, Dept. of Law

B. APPROVAL OF AGENDA

MOTION: Boardmember Carter moved to approve the agenda as modified:
E. Public Comments, H. Executive Session and I. Public Session
were done prior to D. Reports due to quorum issues.

Boardmember Burton seconded.

VOTE: The motion passed without objection.

C. APPROVAL OF MINUTES

MOTION: Boardmember Carter moved to approve the December 14, 2006
minutes. Boardmember Burton seconded.

VOTE: The motion passed without objection.

E. PUBLIC COMMENTS/SESSION

Craig Trytten and Kyle Beus made comments regarding the dairy industry.

H. EXECUTIVE SESSION

MOTION: Boardmember Carter moved to go into Executive session for matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of a public entity. The session will include Boardmembers, Director Larry DeVilbiss, AAG Tina Otto, Administrative Assistant Lora Haralson, Loan Officer Candy Easley and Natural Resource Officer Ray Nix.
Boardmember Burton seconded.

VOTE: The motion passed without objection.

I. PUBLIC SESSION

5. Church of the Living Word, Inc. – C Loan Chattel Approved

MOTION: Boardmember Carter moved to approve C loan – for Church of the Living Word, Inc. as recommended by the loan officer:

1. \$55,000 @ 5% five years payable by monthly payments.
2. Secured by standard security agreement and UCC filing on equipment limited to maximum 75% LTV.

Boardmember Shoen seconded.

VOTE: The motion passed without objection.

D. REPORTS/CORRESPONDENCE

4. ARLF Loan Interest Rate Review – Loan Officer Easley:
Loan Officer Easley reviewed the current interest rates comparable to the ARLF rates.

MOTION: Boardmember Shoen moved to leave the existing rates at 5% for all ARLF loans and that there be zero Good Borrower Credit Rates for 2007.
Boardmember Burton seconded.

VOTE: The motion passed without objection.

Boardmember Carter left the meeting at 11:30 a.m.

Director's Report – Director Larry DeVilbiss:

1. Activity Update:
 - stated a meeting with Joe Van Treeck will be scheduled to discuss possible recommendations for the Mat Maid issues; and
 - John Katz, DC Governor's office requested a position paper on the Farm Bill and the impacts it has on Alaska; and
 - held two Farm Bill meetings with agencies impacted, with more meetings to be held; and
 - Stated he will be attending the National Association of State Departments of Agriculture (NASDA) conference in Washington D.C. and the main topic of discussion will be the Farm Bill.

L. BOARDMEMBERS COMMENTS

Chair Boyles asked Boardmembers for future agenda items they would like the Director to report on?

- Boardmember Martin stated he would like more information on raw milk.
- Vice Co-Chair Kern stated he would like items of interest going on in the Division from each section to be discussed.
- Boardmember Shoen suggested a debt restructure plan for the dairies. Loan Officer Easley responded by stating there are already ARLF regulations in place now for ARLF loan restructure.
- Chair Boyles wants a presentation on who does the marketing for the State of Alaska.
- Chair Boyles wanted to know how is the Alaska Grown label used.
- Chair Boyles asked for an update on the agricultural land bank and what are the future plans for the Land Disposal Income Fund (LDIF). Is there pending legislation regarding land disposal?
- Boardmember Burton wants to discuss the BAC conflict of interest rule again. The Director responded that until the law changes there is nothing new to discuss.
- Boardmember Burton asked that we discuss how to expand the BAC's role.
- Boardmember Martin stated that the University of Alaska has cut the 4-H program on the Kenai Peninsula and he thinks it should be re-en-stated.

A discussion was held on what is the Board of Agriculture & Conservation's role.

Chair Boyles read from the related ARLF regulation and statute.

- In exercising its duties, the Board will encourage and promote the development of agriculture as an industry throughout the State.
- The duties of the Board include administration of the Agricultural Revolving Loan Fund, submission of the proposed fund budget to the Commissioner, the management and disposal of the funds assets, approval loans, installment contracts, land purchase agreements, easements, leases, permits and other contracts related to loan and assets of the fund and referral of request for legal action related to the fund.
- At the direction of the Board, the Director will conduct the following activities relating to the fund. Provide administrative support for the fund and the Board. Process loan applications, receive disbursement audit money into the fund, execute and service all agreements and contracts and receive and manage disposal assets.
- The Board may recommend to the Commissioner that land in the land disposal bank be classified as suitable for agriculture. The Board may also identify state land for agriculture disposal and request to the Commissioner to provide of a survey and disposal of the land.

D. REPORTS/CORRESPONDENCE (continued)

Asset Report & MMM&S – Asset Manager Ray Nix:

2. Reviewed the Dec. 2006 & Jan. 2007 asset report.

Financial Reports:

3. The financial reports were reviewed.

J. UNFINISHED BUSINESS

(No unfinished business.)

K. PUBLIC SESSION

(No public session was held.)

M. OTHER MATTERS OR CORRESPONDENCE

The correspondence in the packet was reviewed.

N. SET NEXT MEETING & AGENDA ITEMS

- The next BAC meeting will be scheduled for April 4th or April 5th or April 6th and noticed after a quorum can be established for one of those days.

O. ADJOURNMENT

The meeting was adjourned at 12:50 p.m.